



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2010 REGULAR SESSION

HOUSE BILL NO. 201

WEDNESDAY, JANUARY 27, 2010

The following bill was reported to the Senate from the House and ordered to be printed.

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TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Allen

AN ACT relating to water districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1 ➔ Section 1. KRS 74.020 is amended to read as follows:

2 (1) A water district shall be administered by a board of commissioners which shall
3 control and manage the affairs of the district. The term of each commissioner is four
4 (4) years, except as provided in this section:

5 (a) If a district lies wholly within a single county, or operates as a single-county
6 district, as provided in paragraph (c) of this subsection, the board of
7 commissioners shall be composed of either three (3) or five (5) members as
8 the county judge/executive shall determine. Members of the board shall be
9 residents of the district, or of any incorporated or unincorporated area served
10 by the district in the county in which the district was originally established,
11 who shall be appointed by the county judge/executive with the approval of the
12 fiscal court. Initial appointments shall be for terms of two (2), three (3), and
13 four (4) years, as designated by the court.

14 (b) Except as provided in paragraph (c) of this subsection, if a district formed in a
15 single county extends its area to include territory in one (1) or more adjacent
16 counties, as provided by KRS 74.115, the board of commissioners shall be
17 appointed by the appropriate county judges/executive, with the approval of the
18 respective fiscal courts of the concerned counties as follows: in two (2) county
19 districts, three (3) members from the original district and two (2) members
20 from the extended portion of the district; for extensions into three (3) or more
21 counties, the respective county judges/executive, with the approval of the
22 respective fiscal courts, shall appoint, in addition to the existing membership
23 of the commission, two (2) members from the original one-county district and
24 two (2) members from the newly extended portion of the district. Orders
25 establishing the extension shall provide for the staggering of initial terms in an

1 equitable manner.

2 (c) If a district acquires an existing water or gas distribution system serving an
 3 area which extends beyond the boundaries of the district into one (1) or more
 4 additional counties, or if a district extends its area to include territory in one
 5 (1) or more adjacent counties as provided by KRS 74.115, it may operate the
 6 distribution system so acquired, or extended, without adding additional board
 7 members, if the new area to be served shall be deemed to be a minor portion
 8 of the total area served by the district, and if the fiscal court of the county
 9 containing the minor portion of the total area shall have agreed to the
 10 acquisition or to the extension of the distribution system. If less than twenty-
 11 five percent (25%) of the total assets of the distribution system are located
 12 within any particular county included in the territorial boundaries of the
 13 district, it shall be conclusively presumed, with respect to that particular
 14 county, that the district comes within the terms of this subsection.

15 (2) A commissioner may be removed from office as provided by KRS 65.007 or
 16 74.455.

17 (3) A commissioner who participates in any official action by the water district board of
 18 commissioners which results in a direct financial benefit to him may be removed
 19 from office as provided by KRS 65.007 or 74.455.

20 (4) Vacancies shall be filled by the same appointing authority which is empowered to
 21 make the original appointment. Vacancies resulting from cause other than
 22 expiration of the term shall be filled for the unexpired term only. Notwithstanding
 23 ~~the provisions of~~ KRS 67.710, a vacancy resulting from the expiration of a term or
 24 the death, resignation, or removal of the incumbent shall be filled by the Public
 25 Service Commission if, within ninety (90) days following the vacancy~~expiration~~
 26 ~~of the term~~, the vacancy has not been filled by the appropriate county
 27 judge/executive with approval of the fiscal court.

1 (5) The commission shall elect a chairman, vice chairman, secretary, treasurer, and any
2 other officers and assistant officers as the commission may deem necessary, each of
3 whom shall be members of the commission. Any two (2) or more offices may be
4 held by the same person, except that the chairman may not hold any other office.
5 Each commissioner shall execute a bond for the faithful performance of the duties
6 of his position.

7 (6) Each commissioner shall receive an annual salary of not more than thirty-six
8 hundred dollars (\$3,600), which shall be paid out of the water district fund, except
9 that beginning January 1, 1999, each commissioner who completes during an
10 educational year a minimum of six (6) instructional hours of water district
11 management training approved by the Public Service Commission may receive an
12 annual salary of not more than six thousand dollars (\$6,000) to be paid out of the
13 water district fund. An educational year shall begin on January 1 and end on the
14 following December 31. In the case of single-county districts, which shall be
15 deemed to include districts described in paragraph (c) of subsection (1) of this
16 section, the salary shall be fixed by the county judges/executive with the approval of
17 the fiscal court; in multicounty districts, it shall be fixed by the agreement between
18 the county judges/executive with the approval of their fiscal courts. In fixing and
19 approving the salary of the commissioners, the county judge/executive and the fiscal
20 court shall take into consideration the financial condition of the district and its
21 ability to meet its obligations as they mature.

22 (7) (a) In order to receive an increase in salary as specified in subsection (6) of this
23 section, commissioners shall successfully complete six (6) instructional hours
24 of water district management training annually. The training shall be approved
25 and paid for by the water district of the county the commissioner represents.
26 Those commissioners not required to complete the six (6) instructional hours
27 shall be reimbursed for the cost of instruction if they choose to complete the

1 water district training.

2 (b) The Public Service Commission shall be responsible for the regulation of all
3 water district management training programs for commissioners of water
4 districts, combined water, gas, or sewer districts, or water commissions.

5 (c) The Public Service Commission shall encourage and promote the offering of
6 high quality water district management training programs that enhance a water
7 district commissioner's understanding of his or her responsibilities and duties.
8 The commission shall, no later than January 1, 1999, establish standards and
9 procedures to evaluate, accredit, and approve water district management
10 training programs.

11 ~~[(d) The Public Service Commission may promulgate administrative regulations in~~
12 ~~accordance with the provisions of KRS Chapter 13A to implement this~~
13 ~~section.]~~

14 **(8) (a) At least once annually, the Public Service Commission shall provide or**
15 **cause to be conducted a program of instruction, consisting of at least twelve**
16 **(12) hours of instruction, that is intended to train newly appointed**
17 **commissioners in the laws governing the management and operation of**
18 **water districts and other subjects that the Public Service Commission deems**
19 **appropriate. The commission may charge a reasonable registration fee to**
20 **recover the cost of the programs and may accredit programs of instruction**
21 **that are conducted by other persons or entities and that the commission**
22 **deems equivalent to its program of instruction.**

23 **(b) Within twelve (12) months of his or her initial appointment, each**
24 **commissioner shall complete the program of instruction described in**
25 **paragraph (a) of this subsection. Any commissioner who fails to complete**
26 **the program within twelve (12) months of his or her initial appointment**
27 **shall forfeit his or her office and all right to act in discharge of the duties of**

1 the office. A commissioner required to attend a program under this
 2 subsection shall be reimbursed for the cost of instruction by his or her water
 3 district.

4 (9) (a) Within thirty (30) days of the occurrence of a vacancy on its board of
 5 commissioners resulting from the expiration of a term or the death,
 6 resignation, or removal of the incumbent, a water district shall notify in
 7 writing the Public Service Commission of the existence of the vacancy. The
 8 notice shall include the name of the commissioner who last held the
 9 position and the date on which the unexpired term will end.

10 (b) Within thirty (30) days of the appointment of a commissioner and the
 11 appropriate fiscal court's approval of that appointment, a water district
 12 shall notify the Public Service Commission of the appointment. The notice
 13 shall include the appointed person's name and the date of the expiration of
 14 his or her term.

15 (10) The Public Service Commission may promulgate administrative regulations in
 16 accordance with KRS Chapter 13A to implement the requirements of this section.

17 ➔Section 2. KRS 74.363 is amended to read as follows:

18 (1) Boards of commissioners of any two (2) or more water districts may by concurrent
 19 action and by approval of a majority of the membership of the board of each merge
 20 their districts into one (1).

21 (2) The members of the boards of commissioners of the merged water districts shall
 22 serve as members of the board of commissioners of the resulting district, regardless
 23 of their normal term expiration, until one (1) year after approval of the merger by
 24 the Public Service Commission. Thereafter, the board shall be composed as follows:

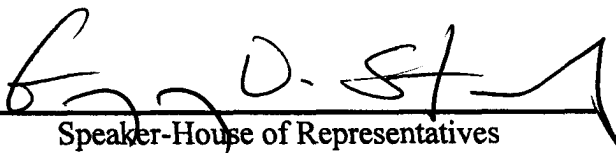
25 (a) If the boundaries of the resulting district lie wholly within a single county, the
 26 board of commissioners shall be composed of between three (3) and seven (7)
 27 members as agreed upon by the merged water districts in their merger

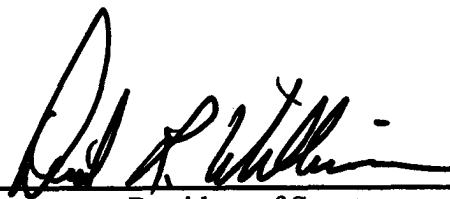
1 documents.

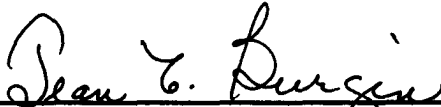
2 (b) If the boundaries of the resulting district lie within two (2) or more counties,
3 the board of commissioners shall be composed of six (6) or more members as
4 agreed upon by the merged water districts in their merger documents.

5 (3) Each appointment to the board of commissioners of the resulting district shall be
6 made by the appropriate county judge/executive with the approval of the fiscal
7 court. Each member of the board shall be a resident of the county from which he or
8 she is appointed. The initial terms of the board of commissioners after the merger
9 shall be as follows: approximately one-third (1/3) of the commissioners shall be
10 appointed for a term of two (2) years; approximately one-third (1/3) of the
11 commissioners shall be appointed for a term of three (3) years; and the remaining
12 commissioners shall be appointed for a term of four (4) years. Thereafter, all
13 commissioners shall be appointed for a term of four (4) years.~~[-The provisions of]~~
14 KRS 74.020(2) to (10)~~[(7)]~~ shall apply to all commissioners and vacancies on the
15 board of commissioners.

16 (4) The resulting district shall have all the assets and legal liabilities of the water
17 districts joining in the merger. The separate existences of the water districts joining
18 in the merger, except the resulting district, shall cease, and the title to all real estate
19 and other property owned by the water districts joining in the merger shall be vested
20 in the resulting district without reversion or impairment. Bonded obligations of any
21 district secured by the right to levy an assessment as provided by KRS 74.130
22 through 74.230 or secured by the revenue of the systems operated by the district
23 shall continue to be retired or a sinking fund for such purpose created from the tax
24 assessments or revenue from the system operated by the district from funds
25 collected over the same area by the new board of commissioners in accordance with
26 the laws under which the bonds were issued until all bonded obligations of the old
27 district have been retired.


Speaker-House of Representatives


President of Senate

Attest: 
Chief Clerk of House of Representatives

Approved 
Governor

Date March 18, 2010